

**FISCAL NOTE**  
**HB 30 - SB 42**  
**FIRST EXTRAORDINARY SESSION**

April 7, 1999

**SUMMARY OF BILL:** Increases the state sales tax rate from 1% to 6% on the sale of water to manufacturers. Increases the sales tax rate from 1.5% to 6% on the sale of gas, electricity, and energy fuels to manufacturers. Removes the state sales tax exemption and imposes a 6% state sales tax on the sale of gas, electricity, fuel oil, coal, or other energy fuels sold directly to consumers for residential use. Earmarks 0.5% of the revenues generated by this act for educational purposes.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - \$291,713,000**

Estimate assumes the following increase in state revenues:

• Energy fuels for residential use	\$161,952,000
• Energy and Water Sales to Manufacturers	<u>129,761,000</u>
	<u>\$291,713,000</u>

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director